

Message Text

PAGE 01 BEIRUT 00001 091947 Z

63

ACTION EB-11

INFO OCT-01 EUR-25 NEA-10 ADP-00 CIAE-00 DODE-00 INR-10

NSAE-00 PA-03 RSC-01 USIA-12 PRS-01 AEC-11 COME-00

DOT-00 NSC-10 NASA-04 XMB-07 OMB-01 TRSE-00 RSR-01

/108 W

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R 091549 Z APR 73

FM AMEMBASSY BEIRUT

TO SECSTATE WASHDC 1549

INFO AMCONSUL ISTANBUL

AMEMBASSY ANKARA

AMEMBASSY PARIS

AMEMBASSY LONDON

FAA BRUSSELS

AMCOMSUL AMSTERDAM

LIMITED OFFICIAL USE SECTION 1 OF 2 BEIRUT 4115

DEPARTMENT PASS COMMERCE AND EXIMBANK

PARIS PASS COHEN, PARIS AIR SHOW

E. O. 11652: N/A

TAGS: ETRN, TU

SUBJECT: CIVIL AIR- TURK HAVA YOLLARI (TURKISH AIRLINES- THY)
REEQUIPMENT AND LINES OF DEVELOPMENT

REF: BEIRUT A-003, JANUARY 8, 1973; BEIRUT A-001, JANUARY 3,
1973

BEGIN SUMMARY: THY HIGHLY SATISFIED WITH ITS THREE NEW
345 SEAT MCDONNELL DOUGLAS DC-10-10 WIDEBODIED TRIJETS
WHICH ARE PRESENTLY DEPLOYED ON 25 SCHEDULED AND 6
WORKER- CHARTER ROUNDTRIP FREQUENCIES WEEKLY ISTANBUL
EUROPE. TO REPLACE FOUR 707-3 21' S CURRENTLY ON LEASE
FROM PAN AM, THY PRESENTLY CONSIDERING APPROXIMATELY
\$36-38 MILLION EQUIPMENT PACKAGE ENCOMPASSING TWO
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PAGE 02 BEIRUT 00001 091947 Z

ALTERNATIVES: (A) ONE ADDITIONAL MCDONNELL DOUGLAS
DC-10-10 AND TWO MCDONNELL DOUGLAS DC-9-40 TWINJETS; OR (B)

FOUR BOEING ADVANCED 727-200 TRIJETS. AIRLINE WAS AGAIN PROFITABLE FOR 1972, DESPITE HEAVY BURDEN FULL - YEAR' S DEPRECIATION CHARGES ON TWO DC-10-10' S, AND CONTINUING DOMESTIC LOSSES DUE TO GOT- IMPOSED BELOW COST- OF- SERVICE DOMESTIC FARE STRUCTURE. END SUMMARY.

1. RCAA AND FAA REPRESENTATIVE MET WITH THY EXECUTIVES REMZI YELMAN, GENERAL MANAGER; SUPHI ISCEM, ASSISTANT GENERAL MANAGER; NEZIHI UNSAL, TECHNICAL MANAGER; AND ARGUN YELUTAS, COMMERCIAL MANAGER DURING WEEK OF APRIL 2-6. FOLLOWING WERE KEY DEVELOPMENTS EMERGING.

2. AIRLINE FACING VERY SERIOUS CAPACITY GAP CREATED BY PHASING- OUT (RETURN TO LESSOR PAN AM) OF FOUR LEASED BOEING 707-321' S (ONE IN MAY 1973, THREE IN JANUARY 1974) WHICH CANNOT BE BRIDGED BY INCREASED UTILIZATION OF THE THREE DC-10-10' S, NOW FULLY DEPLOYED ON SCHEDULED AND WORKER- CHARTER SERVICES. TO MEET GAP, AIRLINE' S HIGHLY INFLUENTIAL TECHNICAL AND OPERATIONS EXECUTIVES (UNSAL AND BILGI) FAVOR MCDONNELL DOUGLAS ACQUISITION PACKAGE (\$36-\$37 MILLION) CONSISTING OF A FOURTH DC-10-10 AND TWO 125- SEAT DC-9-40 TWINJETS, EQUIPPED WITH UPATED I& W JT8 D-15 ENGINES. ASSISTANT GM ISC3. APPEARS TO FAVOR ACQUISITION PACKAGE. (\$38 MILLION) CONSISTING OF FOUR ADVANCED 727-200 TRI- JETS, ALSO EQUIPPED WITH UPATED P& W JT8 D-15 ENGINES AND CAPABLE OF OPERATING FULL- PASSENGER (165) PAYLOAD ISTANBUL PARIS- LONDON OR ISTANBUL- LONDON. MR. ISSEM, ALTHOUGH AWARE DC-9-40 WOULD ALSO BE CAPABLE OPERATING FULL- PASSENGER (125) PAYLOAD ON SAME SECTORS, FAVORS ADVANCED 7 27-200 ALTERNATIVE DUE: (A) HIGHER PAYLOAD/ RANGE, CAPABILITIES; (B) OPTIMUM SIZE FOR ISTANBUL- PARIS- LONDON SCHEDULED SERVICES; (C) LOWER INVESTMENT COST PER SEAT OF ADVANCED 727-200 (\$8.5 MILLION) (DIVIDED BY 165 SEATS) AS AGAINST DC-9-40 (\$6.8 MILLION) (DIVIDED BY 125 SEATS) (D) ISCEM APPEARS CONCERNED, HOWEVER, THAT ACQUISITION ADVANCED 727-200' S WILL INCREASE THY' S FLEET MIX, WITH ATTENDANT INCREASED COMPLEXITIES IN SPARES SUPPORT, TRAINING, AND MAINTENANCE.

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PAGE 03 BEIRUT 00001 091947 Z

4. MCDONNELL DOUGLAS PROPOSAL SUBMITTED TO GENERAT MANAGER YELMAN APRIL 2, WITH DELIVERY DATES AS FOLLOWS: DC-10-10 JUNE 1974, DC-9-40' S (TWO) AUGUST 1974. DOUGLAS CON- SULTANT DR. BEGDDES BELIEVES HIS COMPANY MUST PROVIDE TWO INTERIM LEASED DC-9-30' S TO COVER CAPACITY GAP FROM JANUARY 1974 UNTIL DC-9-40 DELIVERY DATES. BOEING PROPOSAL HAS NOT YET BEEN SUBMITTED TO THY, BUT JOEL TUCKER, BOEING REP. BEIRUT, INDICATES HIS COMPANY WILL PROBABLY DO SO

WITHIN NEXT SEVERAL WEEKS. DEFINITIVE THY DECISION
SHOULD BE FORTHCOMING BY JULY 1, 1973.

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To: STATE INFO ISTANBUL
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